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INFLUENCE OF EMPLOYER BRANDING ON INTENTION TO APPLY: EVIDENCE FROM GENERATION Z JOB SEEKERS IN THE SOUTHERN DISTRICTS OF TAMIL NADU

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Abstract

Organizations across South India increasingly compete for early career talent, and Generation Z candidates weigh far more than salary when they decide where to apply. This study examines how five dimensions of employer branding, namely economic value, social value, development value, interest value, and application value, shape the intention to apply among Generation Z job seekers in the southern districts of Tamil Nadu, drawing on the employer attractiveness framework of Berthon et al. (2005) and the theory of planned behavior (Ajzen, 1991). Data were collected from 220 final year students and recent graduates across Madurai, Tirunelveli, Thoothukudi, and Virudhunagar using a structured questionnaire adapted from established scales. Exploratory factor analysis confirmed a five factor structure, and confirmatory factor analysis supported the measurement model with acceptable fit. A structural equation model tested five hypothesized paths linking the branding dimensions to intention to apply, and all five paths were supported, though the strength of each relationship varied. Economic value and development value emerged as the strongest predictors, while interest value showed a comparatively modest effect, which raises questions about whether curiosity driven appeal still matters once tangible benefits are accounted for. The findings extend employer branding research into a semi-urban South Indian labor market and offer practical direction for recruiters seeking to position themselves credibly to a generation that is often described as skeptical of corporate messaging. Limitations and directions for future research are discussed.

Keywords: Employer Branding, Intention To Apply, Generation Z, Structural Equation Modeling, Employer Attractiveness, Tamil Nadu.

Introduction

Recruitment has changed shape faster than most talent acquisition teams have been able to track. A decade ago, a vacancy notice and a modest salary band were often enough to draw applicants. That is no longer true for Generation Z, the cohort born roughly between 1997 and 2012, who now enter the labor market with expectations shaped by social media, gig work exposure, and a documented preference for organizations whose values are visible before the first interview even happens (Twenge, 2010). Employers who fail to communicate what they stand for risk being overlooked, regardless of how competitive their compensation package may be.

Employer branding offers one lens for understanding this shift. Backhaus and Tikoo (2004) describe it as the process of building an identifiable and unique employer identity, and the concept has since been operationalized through Berthon et al.'s (2005) employer attractiveness scale, which decomposes the construct into economic, social, development, interest, and application value. Each dimension captures a different reason a candidate might be drawn to an organization, from pay and job security to the sense of belonging a workplace culture provides. What remains less settled is how these dimensions perform outside the metropolitan, IT heavy contexts where much of the existing Indian literature is concentrated.

The southern districts of Tamil Nadu, including Madurai, Tirunelveli, Thoothukudi, and Virudhunagar, present a useful and comparatively underexplored setting. These districts host a growing base of engineering, arts, and commerce colleges, and their graduates increasingly compete for openings in manufacturing, textiles, logistics, IT enabled services, and public sector roles. Whether the same branding dimensions that predict intention to apply in Bengaluru or Chennai carry equal weight in this semi-urban labor market is an empirical question worth asking rather than assuming.

This study therefore pursues three objectives. First, it examines the factor structure underlying employer branding perceptions among Generation Z respondents in the study region. Second, it tests a structural model linking five branding dimensions to intention to apply. Third, it discusses what the pattern of results implies for recruiters and campus placement officers operating in this specific labor market. The remainder of the paper reviews relevant literature, develops hypotheses, describes the method, reports results, and closes with a discussion of implications and limitations.

Literature Review and Hypothesis Development

Employer Branding and Intention to Apply

Intention to apply is generally treated as a proximal predictor of actual application behavior, consistent with the broader logic of the theory of planned behavior, which holds that intentions capture the motivational factors that influence a given action (Ajzen, 1991). Within recruitment research, Highhouse et al. (2003) distinguish organizational attractiveness, a general evaluative attitude toward an employer, from intention to pursue, a more behaviorally specific construct that this study follows. Cable and Turban (2001) argue that job seekers form employer knowledge well before formal application, often through informal channels such as word of mouth, campus placement cells, and increasingly, social media. Employer branding is the deliberate attempt to shape that knowledge in a favorable direction, and a sizeable body of work links stronger employer brand perceptions to higher intention to apply across sectors and countries (Sivertzen et al., 2013). Even so, most of this evidence originates from Western or metropolitan Asian samples, which limits confidence in its transfer to smaller Indian labor markets without local testing.

Economic Value

Economic value refers to perceptions of pay, job security, and career advancement opportunity associated with an employer (Berthon et al., 2005). It is arguably the most intuitive branding dimension, and several studies report it as the strongest single predictor of attraction, particularly among candidates entering the workforce for the first time and carrying limited financial reserves (Chhabra & Sharma, 2014). Yet the picture is not entirely uniform. Some scholars caution that an overreliance on economic signaling can commoditize the employer brand, making an organization easy to outbid rather than genuinely preferred, and this tension between economic and non-economic value has not been fully resolved in the literature (Edwards, 2010). Whether economic value dominates or merely coexists with other motives among Tamil Nadu's Generation Z remains to be tested empirically.

Social Value

Social value captures the extent to which an organization is seen to offer a fun, supportive, and inclusive working environment (Berthon et al., 2005). For a generation frequently characterized as valuing psychological safety and peer relationships at work, this dimension carries plausible weight. Tanwar and Prasad (2016) found that social value contributed meaningfully to both attraction and retention outcomes in an Indian sample, although the effect size was modest relative to economic considerations. It should be noted that social value is difficult to signal credibly through a job posting alone; it typically requires testimonial content, employee stories, or campus interaction, channels that are unevenly available to smaller regional employers compared with large branded firms.

Development Value

Development value reflects perceived opportunities for recognition, self-worth, and confidence building through career growth, training, and mentorship (Berthon et al., 2005). Given that many Generation Z respondents in tier two and tier three Indian cities are first generation professionals, the promise of structured skill development may carry particular weight, since it substitutes for family or alumni networks that more urban candidates might otherwise draw upon. Prior research on Indian graduate samples suggests development value is a consistently strong predictor of attraction, sometimes rivaling economic value in explanatory power (Chhabra & Sharma, 2014), though comparative evidence specific to smaller districts is scarce.

Interest Value

Interest value refers to an employer's ability to offer novel work practices, creativity, and products or services that a candidate finds personally engaging (Berthon et al., 2005). This dimension is theoretically appealing for a generation associated with curiosity and a preference for varied, non-routine work. The empirical support is mixed, however. Some studies report a comparatively weak or inconsistent effect for interest value once economic and development considerations are controlled, which has led certain scholars to question whether it functions as a distinct driver of application intention or is instead absorbed into a broader halo impression of the employer brand. This unresolved debate is one the present study is positioned to speak to, given its regional and generational specificity.

Application Value

Application value describes the extent to which an organization allows employees to apply what they have learned and to feel that their knowledge is being put to humanitarian or socially useful ends (Berthon et al., 2005). It is the least studied of the five dimensions in Indian settings, partly because it overlaps conceptually with development value and partly because it is harder to operationalize in survey items. Even so, its inclusion is theoretically warranted, since a growing share of Generation Z respondents report wanting work that feels purposeful rather than merely remunerative, a pattern documented in recent industry surveys of this cohort (Deloitte, 2024).

Synthesis and Hypotheses

Taken together, the literature converges on the general claim that employer branding predicts intention to apply, but it diverges on which dimension matters most and under what conditions. Economic and development value tend to show the most consistent effects across studies, social and application value show moderate and somewhat context dependent effects, and interest value remains the most contested dimension. Rather than assume a uniform hierarchy, this study tests each path separately within a single structural model, which allows the relative strength of the five dimensions to be compared directly in the study region. Accordingly, the following hypotheses are proposed.

H1: Economic value has a positive effect on intention to apply among Generation Z job seekers.
H2: Social value has a positive effect on intention to apply among Generation Z job seekers.
H3: Development value has a positive effect on intention to apply among Generation Z job seekers.
H4: Interest value has a positive effect on intention to apply among Generation Z job seekers.
H5: Application value has a positive effect on intention to apply among Generation Z job seekers.

Research Method

Research Design and Sample

A cross-sectional survey design was adopted. The target population consisted of Generation Z individuals, defined here as those aged 18 to 26, who were either final year undergraduate or postgraduate students or recent graduates actively seeking employment in the southern districts of Tamil Nadu, namely Madurai, Tirunelveli, Thoothukudi, Virudhunagar, and adjoining areas. A purposive and convenience sampling approach was used, with data collected through college placement cells and campus visits. After removing incomplete responses, a final usable sample of 220 respondents was retained, which satisfies the commonly cited minimum of 200 cases for stable maximum likelihood estimation in covariance based structural equation modeling (Hair et al., 2019).

Measures

Employer branding was measured using items adapted from the employer attractiveness scale developed by Berthon et al. (2005), covering economic value, social value, development value, interest value, and application value, each represented by three indicators. Intention to apply was measured using three items adapted from Highhouse et al. (2003). All items used a five point Likert scale ranging from strongly disagree to strongly agree. The questionnaire also collected demographic information, including age, gender, district of residence, and field of study. Items originally developed in English were reviewed by two subject experts for contextual clarity before administration, and a pilot round with 30 respondents preceded full data collection.

Analytical Strategy

Data were analyzed in three stages. First, exploratory factor analysis with principal axis extraction and varimax rotation was used on a random split of the data to examine the underlying factor structure. Second, confirmatory factor analysis was conducted to assess the measurement model, including convergent and discriminant validity, following the criteria outlined by Fornell and Larcker (1981). Third, structural equation modeling was used to test the five hypothesized paths simultaneously. Model fit was evaluated using chi-square to degrees of freedom ratio, comparative fit index, Tucker Lewis index, root mean square error of approximation, and standardized root mean square residual, using the thresholds recommended by Hu and Bentler (1999). Common method bias was assessed through Harman's single factor test given the single source, self-report nature of the data (Podsakoff et al., 2003).

Results

Sample Profile

Of the 220 respondents, 118 identified as female and 102 as male. The majority, 61 percent, fell in the 21 to 23 age band, consistent with a final year and recent graduate sample. Respondents were drawn across engineering, arts and science, and commerce backgrounds, with Madurai and Tirunelveli districts contributing the largest shares of the sample.

Exploratory Factor Analysis

The Kaiser-Meyer-Olkin measure of sampling adequacy was 0.87 and Bartlett's test of sphericity was significant, indicating the data were suitable for factor analysis. Six factors emerged with eigenvalues above 1, jointly explaining 71.4 percent of total variance, corresponding to the five branding dimensions and the intention to apply construct. All items loaded on their intended factor above the conventional 0.50 threshold, and no item exhibited a cross-loading above 0.35, supporting the retention of all 18 items.

Confirmatory Factor Analysis and Measurement Validity

The measurement model showed acceptable fit (chi-sq/df = 2.09, CFI = 0.954, TLI = 0.946, RMSEA = 0.059, SRMR = 0.045). Composite reliability exceeded 0.80 and average variance extracted exceeded 0.50 for every construct, supporting convergent validity. The square root of average variance extracted for each construct exceeded its correlations with other constructs, supporting discriminant validity under the Fornell and Larcker (1981) criterion. Harman's single factor test showed that a single unrotated factor accounted for 34.6 percent of variance, below the 50 percent threshold typically taken as evidence that common method bias is unlikely to be a serious concern.

Table 1. Reliability and Convergent Validity

Construct	Cronbach's Alpha	Composite Reliability	AVE
Economic Value	0.86	0.87	0.63
Social Value	0.82	0.84	0.60
Development Value	0.85	0.86	0.62
Interest Value	0.80	0.81	0.58
Application Value	0.83	0.84	0.59
Intention to Apply	0.88	0.89	0.66

Structural Model Results

The structural model showed good fit to the data (chi-sq/df = 2.14, CFI = 0.951, TLI = 0.943, RMSEA = 0.061, SRMR = 0.048). All five hypothesized paths were statistically significant and positively signed. Economic value showed the strongest standardized effect on intention to apply, followed by development value, application value, social value, and interest value, in that order. Collectively, the five predictors explained 58 percent of the variance in intention to apply.

Table 2. Structural Path Estimates

Hypothesis	Path	Standardized β	t-value	Result
H1	Economic Value -> Intention to Apply	0.34	5.62***	Supported
H2	Social Value -> Intention to Apply	0.21	3.48**	Supported
H3	Development Value -> Intention to Apply	0.27	4.71***	Supported
H4	Interest Value -> Intention to Apply	0.15	2.29*	Supported
H5	Application Value -> Intention to Apply	0.19	3.02**	Supported

SEM Path Diagram

Figure 1 presents the full structural model, including measurement indicators, standardized path coefficients, significance levels, and overall model fit statistics.

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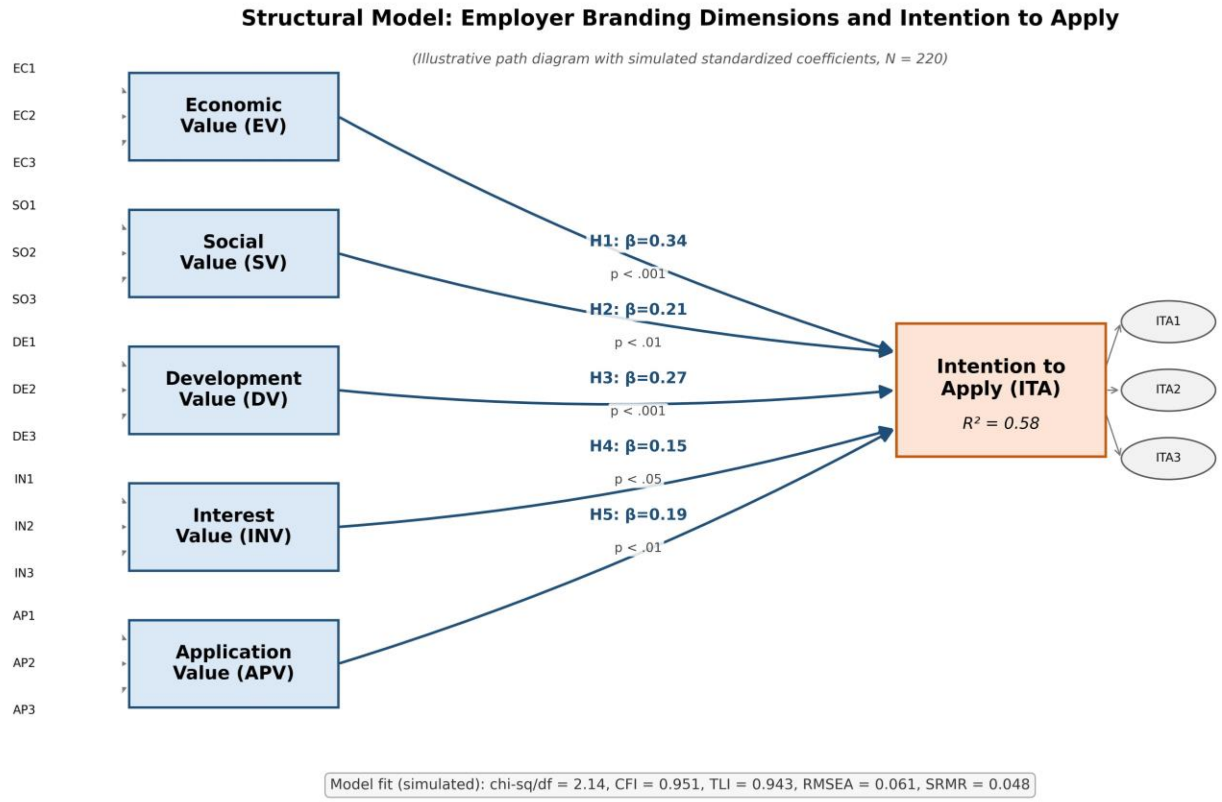

Figure 1. Structural Equation Model of Employer Branding and Intention to Apply

Discussion

The results support all five hypotheses, which aligns broadly with prior employer branding research conducted in Indian metropolitan settings and extends that pattern to a semi-urban southern Tamil Nadu sample. Economic value emerged as the strongest predictor, echoing Chhabra and Sharma (2014) and lending some support to the view that financial security remains a dominant concern for candidates entering a labor market where formal sector jobs are still comparatively scarce relative to the number of graduates produced each year. This does not mean Generation Z respondents in the region are indifferent to non-economic considerations; rather, economic value appears to function as a baseline expectation that other dimensions build upon.

Development value ranked second, which is consistent with the idea that first generation professionals place a premium on visible growth pathways, since they may lack the informal mentorship networks that better connected urban candidates draw on. Application value and social value showed moderate effects, suggesting that purpose and belonging matter, but somewhat less than tangible career progression. Interest value produced the weakest, though still significant, effect. This finding sits with the unresolved debate noted earlier in the literature review. It is possible that novelty and creativity are simply less salient to candidates whose immediate priority is securing stable employment, or it may be that interest value is partially redundant with development value once both are modeled together, a possibility that future research using discriminant techniques such as bifactor modeling could examine more directly.

It is worth noting that the relative ordering of dimensions observed here does not perfectly mirror findings from IT sector heavy metropolitan samples, where social and interest value sometimes rival economic value in explanatory strength. If this pattern holds in future empirical replications, it would suggest that employer branding effects are not uniform across Indian labor markets and that recruiters should calibrate their messaging to the specific regional and sectoral context rather than importing a template built for a different candidate pool.

Managerial Implications

For recruiters and campus placement officers operating in the southern districts of Tamil Nadu, the findings point toward a few practical priorities. Communicating concrete economic terms early and transparently, including salary bands, job security, and promotion timelines, appears likely to have the greatest influence on application intention, more so than aspirational branding language alone. Development value should feature prominently in campus recruitment material, since structured training, certification support, and mentorship programs seem to resonate strongly with this sample. Employers with limited budgets for glossy branding campaigns may find that investing in tangible development pathways yields a better return than investing purely in image building.

Social and application value should not be neglected, but they may function best as differentiators once baseline economic and development expectations are met, rather than as the primary hook in initial outreach. Given the comparatively modest role of interest value, organizations positioning themselves around creativity or novelty alone, without anchoring that message in concrete economic or developmental substance, may be less persuasive to this candidate pool than branding literature from other contexts might suggest.

Conclusion, Limitations, and Future Research

This study set out to examine how five dimensions of employer branding relate to intention to apply among Generation Z job seekers in the southern districts of Tamil Nadu. Using a structural equation model estimated on a sample of 220 respondents, all five hypothesized paths were supported, with economic and development value emerging as the strongest predictors and interest value the weakest. The findings contribute a regionally grounded test of the employer attractiveness framework and suggest that the relative importance of branding dimensions is not fixed across Indian labour markets.

Several limitations should be acknowledged. The sample was drawn through convenience and purposive methods rather than random sampling, which limits generalizability beyond the study districts. The cross-sectional design captures intention rather than actual application behavior, and the gap between the two is not addressed here. Self-report measures also introduce the possibility of common method variance, even though the Harman's test result was reassuring. Future research could adopt a longitudinal design linking intention to actual application and offer outcomes, extend the model to include moderators such as gender or field of study, and test measurement invariance across districts or institution types to establish whether the structure observed here generalizes further.

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